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ANNEX 1 TO THE COUNTRY DEVELOPMENT COOPERATION STRATEGY TRANSITION OBJECTIVE APPROVED DECEMBER 5, 2016

Background:

The April 25, 2015, 7.8-magnitude earthquake affected approximately eight million Nepali across 31 of Nepal's 75 districts, with 14 districts¹ designated as "severely affected" for the purpose of prioritizing rescue, relief, and recovery operations. Around 9,000 people lost their lives, and more than 22,000 were injured. The destruction was widespread, covering residential and government buildings, heritage sites, schools, health posts, rural roads, bridges, water supply systems, agricultural land, trekking routes, and hydropower plants. The total value of earthquake-related damages and losses is estimated at \$8.6 billion, per the Post Disaster Recovery Framework (PDRF) dated May 2016.²

In its Country Development Cooperation Strategy (CDCS, 2014-2018) the Mission's critical assumptions included a major earthquake as a "game changer" that would affect implementation of its strategy, possibly necessitating a revision. This Annex integrates a Transition Objective into the CDCS, to capture USAID's earthquake recovery investments (financial, human, and programmatic) that cannot be accommodated within the existing results framework and that will help re-establish a development trajectory in the earthquake zone.

The focus of the Transition Objective will be to 1) rebuild and rehabilitate critical infrastructure, and 2) manage risks before, during, and after natural disasters. Under this Transition Objective, USAID will support the Government of Nepal (GON) and earthquake-affected communities to plan, manage, and monitor reconstruction activities, while working with regional partners to strengthen disaster risk management institutions, policies, and systems.

By adding a Transition Objective, USAID will be able to clearly articulate an earthquake recovery plan and link it to its overall development strategy for Nepal. This will allow the Mission to better track how U.S. Government resources are utilized in response to the earthquake and the impact these resources are having.

Justification:

The GON-led PDRF, conducted in spring 2016 with USAID participation, estimates that \$8.6 billion is needed for recovery efforts. In order to get communities in the earthquake zone back on track for sustainable development, homes and essential infrastructure need to be rebuilt and rehabilitated for critical services (health, education, transport, etc.) to function. Because the needs are so great, USAID is

¹ The 14 severely or most-affected districts are: Gorkha, Dolakha, Sindhupalchowk, Kavrepalanchowk (Kavre), Lalitpur, Bhaktapur, Kathmandu, Nuwakot, Rasuwa, Dhading, Makwanpur, Okhaldunga, Ramechhap, and Sindhuli.

² The PDRF can be found here: http://www.hrrpnepal.org/media/56495/160419_nepal-pdrf-1804-pm-with-graphics.pdf. The PDRF is the GON's core earthquake recovery planning document. It builds on and seeks to operationalize data collected and analyzed during the Post Disaster Needs Assessment.

strategically targeting resources to leverage investments by the GON, other donors, the private sector, and – most importantly – the Nepali people themselves.

Nepal’s longstanding governance and development challenges, which are the backdrop for the work of this Transition Objective, are well documented in the CDCS and will not be reiterated here.

With this Transition Objective, USAID will direct assistance to help earthquake-affected people to rebuild their communities to prevent further socioeconomic backsliding. Simultaneously, this Transition Objective allows for the Mission to build the human capacity needed to address reconstruction needs and manage disaster risk. In order to ensure long-term sustainability, emphasis also will be placed on bolstering the underlying systems for disaster resilience and long-term risk reduction.

It should be noted that USAID assistance works to implement health, education, livelihoods, food security, governance, and protection activities in the earthquake-affected districts under existing Development Objectives (DOs). Thus, this Transition Objective does not represent the totality of USAID earthquake recovery work, but reflects the housing, infrastructure, and disaster risk management recovery activities that do not fit under existing DOs.

Key Elements of the Transition Objective:

Theory of Change: If critical earthquake-affected infrastructure is reconstructed to be disaster resilient, and disaster risk management is strengthened, then Nepal will be well-positioned to resume sustainable development.

Timeframe: The timeframe for the Transition Objective will align with the remainder of the Mission’s CDCS, using funds from FY 2015 to FY 2018, for implementation through FY 2019.

Zone of Influence: Most of the activities will be concentrated in the 14 most-affected districts, but may extend to other earthquake-affected districts where recovery needs remain unmet. Additionally, disaster resilience will require national-level interventions.

Linkage to Other CDCS Development Objectives:

Following the April 2015 earthquake, USAID began implementing recovery activities – in many cases, by expanding existing programs – to meet the range of the affected population’s needs. Within days of the earthquake, USAID – in consultation with U.S. Government colleagues – began drafting an earthquake recovery strategy that prioritized the following sectors: 1) Housing and Infrastructure; 2) Livelihoods and Food Security; 3) Reestablishing Health and Education Services; 4) Protecting the Vulnerable; 5) Disaster Risk Management; and 6) Local Governance. For most of these sectors, USAID is implementing earthquake recovery activities under its existing CDCS DOs. This Transition Objective covers activities under Housing and Infrastructure and Disaster Risk Management that were not envisioned in the original CDCS. The following is a brief description of the Transition Objective’s linkages to the other DOs.

Linkage to DO 1: More Inclusive and Effective Governance: The CDCS identified poor governance and lack of inclusion as Nepal’s core development challenge and a barrier to development outcomes in all sectors. It described how efforts to strengthen government systems, improve accountability and transparency, and promote participation of women and marginalized groups would be integrated across all DOs. This Transition Objective strongly supports these aims. Under this Transition Objective, USAID will work closely with the GON – particularly the National Reconstruction Authority (NRA) – to sustainably reconstruct critical infrastructure and strengthen disaster risk management. USAID will support the NRA in planning for, managing, and monitoring its owner-driven housing platform, helping to ensure that appropriate transparency, accountability, and grievance redress mechanisms are in place and that the needs of women, marginalized groups, and the most vulnerable are addressed. Recognizing that good disaster risk management is part of good governance, this Transition Objective will permit USAID to work closely with the NRA and other GON actors to build disaster risk management capacity and create sustainable institutions and systems to prepare for and manage future disasters.

Linkage to DO 2: Inclusive and Sustainable Economic Growth to Reduce Extreme Poverty: As described in the Post Disaster Recovery Framework, the earthquake had a significant impact on Nepal’s economy and particularly on the agricultural systems and natural resources from which most affected households derive their livelihoods. While USAID expanded its agricultural and natural resource management programming to help meet both immediate and long-term needs, the activities under this Transition Objective are critical to helping Nepal’s economy recover. Frequent surveys conducted in recent months have shown that most earthquake-affected households prioritize rebuilding their homes above any other need. The lack of permanent housing makes it difficult to manage a farm or engage in other livelihoods – particularly since many rural households use their homes to store seed and grains, as well as to shelter livestock. This Transition Objective also contributes to sustainable economic growth by training construction professionals who can be employed in Nepal’s reconstruction effort in the near term and apply their skills to other building projects in the future, thus diversifying livelihoods. Disaster risk reduction and improved disaster management efforts will reduce vulnerability to climate change. Finally, USAID is promoting green recovery and reconstruction practices throughout all sectors for a more resilient Nepal.

Linkage to DO 3: Increased Human Capital: With thousands of schools and health facilities destroyed, the earthquake threatened to erode Nepal’s impressive gains in health and education in recent decades. Health and education comprise the largest portion of USAID’s CDCS investment in Nepal, and this Transition Objective will permit assistance to protect that investment and mitigate backsliding. Pending availability of funds, this Transition Objective will include reconstruction of schools and health facilities in areas where programs under DO 3 can help to ensure proper planning and sustainable building maintenance. This reconstruction is particularly critical given Nepal’s varied terrain and the often significant distances between communities. Reconstruction of health facilities supported under this Transition Objective will help to prevent maternal and child illness and death; ensure that pregnant women can receive antenatal check-ups and skilled birth attendant services; allow for treatment of diarrhea and other common illnesses; and ensure continued access to family planning services and lifesaving drugs. Reconstruction of schools will help Nepal continue its high rate of primary school enrollment and ability to increasingly emphasize high-quality instruction in early grade reading.

Gender Equality and Social Inclusion:

The Post Disaster Needs Assessment's Gender Equality and Social Inclusion section (to which the Mission's Gender Equality and Social Inclusion Advisor was a key contributor) identified numerous challenges relevant to this Transition Objective. Some of these include:

- About 26 percent of damaged houses belong to female-headed households, 41 percent to Dalits and indigenous communities, and 23 percent to senior citizens. The elderly and people living with disabilities may not have the means or the manpower to support home reconstruction. Additionally, many Nepali women lack citizenship documents, which may be required to participate in GON reconstruction schemes.
- Women own only 19 percent of housing and land, which puts them at risk of being excluded from housing reconstruction programs that are based on the owner-driven housing approach.
- Women are disproportionately more likely to engage in home-based economic and income generation activities, so the destruction of homes and household assets may have affected them more heavily than men. In severely affected areas, this may also result in increased instances of child marriage and trafficking.
- Damaged sustained by hospitals and health centers has limited women's access to sexual and reproductive health services.

Additionally, some of the affected districts have a higher adult female population due to male out-migration, which means women will take on a larger responsibility for reconstruction. The 14 most-affected districts have a particularly high absentee population. A narrow asset base, the burden of domestic work, and limited access to economic resources combined with the lack of alternate livelihoods, means that recovery for women may take longer than for men who have more livelihood options.

Under this Transition Objective, and in line with recommendations made in the Post Disaster Needs Assessment, USAID will use its assistance to narrow these gaps and promote gender equality and social inclusion by:

- Working with the NRA, local governments, donors, and others to ensure that women, members of marginalized groups, and the most vulnerable play a meaningful role in all aspects of the reconstruction process;³
- Supporting the NRA to establish mechanisms to provide additional support to vulnerable households;
- Supporting the NRA to conduct a beneficiary survey that captures socioeconomic data to help identify the most vulnerable and the extent to which households may require additional assistance to benefit from the owner-driven housing program;
- Working to ensure that bank accounts established for the disbursement of the housing reconstruction cash grants are joint accounts for husband and wife;
- Supporting the NRA in establishing and effectively using a grievance redress mechanism to address complaints of exclusion, abuse, exploitation, or discrimination;

³ Note: USAID co-chairs the multi-donor Gender Equality and Social Inclusion Working Group, which has already provided a set of specific policy recommendations to the NRA on this issue.

- Supporting women and disadvantaged groups to register for citizenship so that they can become eligible for reconstruction benefits;
- Supporting the government to follow its mandated gender responsive budgeting requirements for all recovery and reconstruction programs;
- Ensuring that training for mason and construction professionals includes women and marginalized groups, and that these groups have access to the accreditation and professional networks needed to apply their skills to reconstruction work;
- Training women and members of marginalized groups as first responders and disaster managers;
- Ensuring that outreach and communication efforts regarding reconstruction and disaster risk management are accessible and targeted to women and marginalized groups; and
- Ensuring that women and marginalized groups' vulnerability to climate change is incorporated into reconstruction efforts to build their resilience to future disasters.

Climate Change:

Climate change is a risk multiplier and extreme weather events are likely to increase in intensity and frequency in the future as climate change advances. While earthquakes are not caused by climate change, climate change exacerbates the impacts. For example, increased intensity of rainstorms is likely to increase the risk of landslides on slopes weakened by the earthquake while flash floods will transport earthquake-generated sediment downstream, affecting water supplies for irrigation and household use. Wherever possible, activities under this Transition Objective will incorporate climate change adaptation measures as well as promote low carbon development practices. This will be complemented by work under DO2, which will address mainstreaming climate change into reconstruction work by updating the country's National Adaptation Plan.

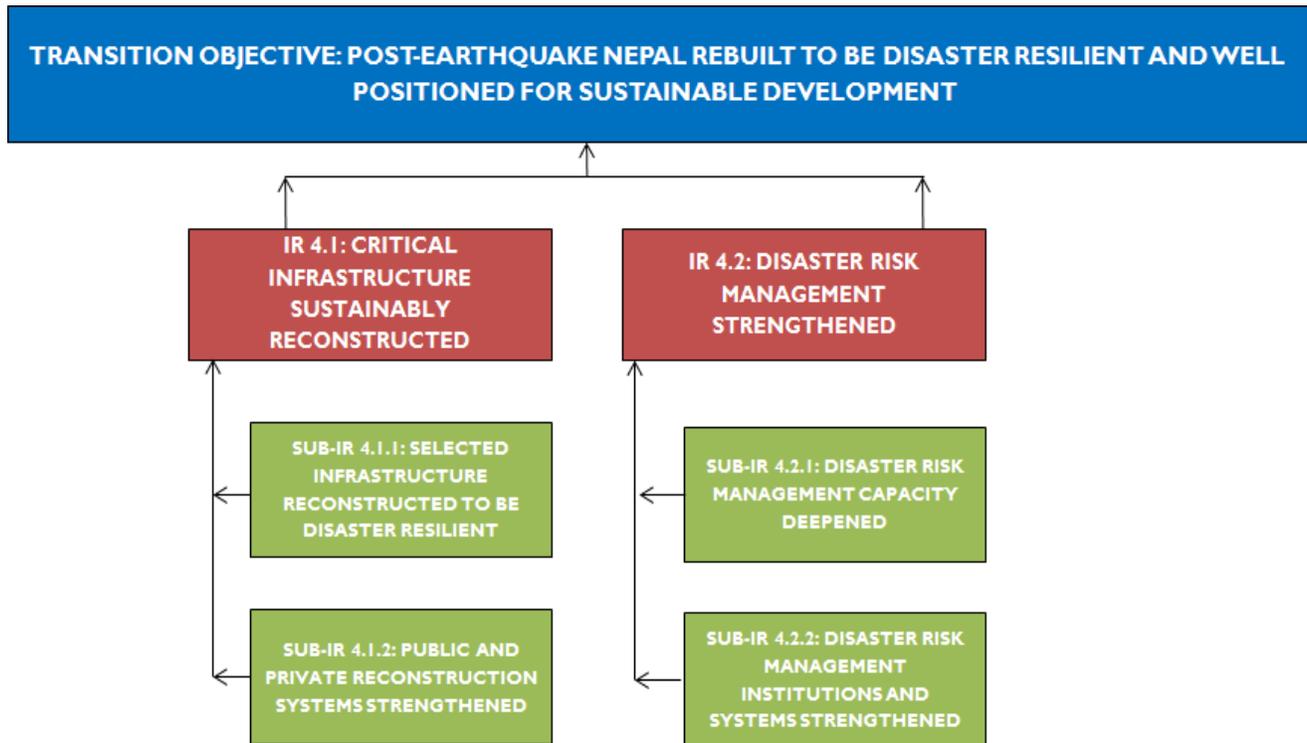
Monitoring and Adapting:

Given the dynamic post-earthquake landscape it is critical that the Mission frequently test assumptions and monitor and adapt to rapidly changing circumstances. For example, some interventions will rely on a fully empowered NRA that can fulfill its legislated role as convener, coordinator, and policy maker for reconstruction. The NRA's mandate does not expire during the life of the Transition Objective; however, if reconstruction becomes highly politicized and the Authority maintains a limited capacity to fulfill its mandate as outlined in the Reconstruction Act, then the Mission may need to adapt its approach. Federalism, while expected to be implemented slowly, could also shift dynamics from the central to the sub-national level, altering the course of reconstruction and requiring Mission programs to adapt accordingly. The DR4 Office, which holds primary management responsibility for this Transition Objective, maintains a Management and Cross-Cutting Team that, with support from the Mission's Monitoring Evaluation and Learning contract, will develop a robust plan to test assumptions and monitor and adapt to changing circumstances throughout the life of the Transition Objective. While designing new activities in support of the Transition Objective, design teams will consider the need for frequent monitoring and adaptation when selecting instruments and making other design decisions.

Interagency Collaboration:

This Transition Objective was developed under the direction of the Ambassador and in coordination with Kathmandu-based U.S. Government agencies. Also the Transition Objective’s Intermediate Result (IR) 4.1 aligns with the U.S. Government’s earthquake recovery plan developed at Embassy Kathmandu in 2015 with input from the Department of State’s Political/Economic Section, and the Department of Defense. For IR 2, USAID worked closely with DOD’s Office of Defense Cooperation (DOD/ODC). USAID’s Disaster Risk Reduction, Reconstruction, and Resilience (DR4) Office Director, together with the DOD/ODC Chief, chairs the U.S. Mission Kathmandu’s Disaster Resilience Working Group, which coordinates U.S. Government efforts under its Integrated Country Strategy Goal 3: *Enhanced cooperation on disaster reduction/response*. This Transition Objective is represented in the Disaster Resilience Working Group’s action plan and reflects the long-term U.S. Government interagency vision for Nepal’s reconstruction and disaster resilience.

Transition Objective Results Framework and Narrative:



Illustrative Indicators for the Transition Objective

- Percentage of targeted population with damaged or destroyed homes receiving final tranche of housing assistance grants⁴

⁴ Note: A household can only receive the final tranche of the housing assistance grant once trained professionals have certified that the house has been rebuilt to government-approved safety standards.

- Percentage of targeted earthquake-affected population with access to a permanent, functional, disaster resilient public health facility
- Percentage of targeted earthquake-affected population with access to a permanent or semi-permanent, functional, disaster resilient public primary school
- Percentage of targeted population that believes the government is responding to their reconstruction needs
- Percentage of newly constructed public and private infrastructure (disaggregated by private homes and public schools and health facilities) in targeted areas that adhere to building codes
- Empowerment and effectiveness of National Reconstruction Authority⁵
- Proportion of line ministry budgets allocated for disaster preparedness or mitigation activities

IR 4.1: Critical infrastructure sustainably reconstructed

According to GON figures, approximately 755,000 houses require rebuilding (around 499,000 destroyed and 256,000 damaged). The earthquake also damaged or destroyed 6,300 government buildings, 1,100 health facilities, and 8,200 schools. Damage to this critical infrastructure hampers Nepal’s ability to provide even the most fundamental services for its citizens, thereby hindering development across sectors and potentially reducing the gains made from previous investments. In addition, Nepal remains highly susceptible to further large- and small-scale disasters. The reconstruction process presents an opportunity to strengthen the construction sector and to help Nepal better prepare for, respond to, and recover from future disasters. Below are the sub-IRs and illustrative activities and outcomes for this IR.

Sub-IR 4.1.1: Selected infrastructure reconstructed to be disaster resilient

To address housing needs, USAID will support an owner-driven housing reconstruction model comprising technical assistance for construction professionals and financial assistance provided directly to earthquake-affected households, to build disaster-resistant houses through grants administered by the World Bank-managed Multi-Donor Trust Fund (MDTF) for housing. USAID will also support communications, outreach, and technical assistance to affected communities to ensure that homeowners have the information needed to build back in a disaster-resilient manner. Adequate housing will help restore the socioeconomic foundation for families, thereby supporting broader development progress.

In order for critical public services to resume, public infrastructure must be restored. Should resources become available, USAID will rebuild and/or rehabilitate public infrastructure such as health and education facilities – including associated water and sanitation and energy facilities – to re-enable service provision. Both design and construction as well as operational and maintenance plans for reconstructed facilities will integrate adaptation and resilience measures to address the short and long-term impacts of climate change. USAID will also support construction of semi-permanent classrooms to ensure that children remain in school while reconstruction ensues. Existing health and education system strengthening programs will support the GON in staffing and maintaining these facilities to ensure sustainability. In addition,

⁵ Specific indicator to be determined. Possible areas for measurement include, line ministry adherence to NRA policies and plans; NRA monitoring of line ministry reconstruction activities (empowerment), line ministry expenditures attributable to NRA delegated spending authorities, etc.

critical GON offices, community infrastructure, and crisis centers may be rebuilt or rehabilitated as further needs are identified throughout the Transition Objective period.

Sub-IR 4.1.2 Public and private reconstruction systems strengthened

To support a culture of sound building practices post-earthquake and in the future, USAID will strengthen Nepal's reconstruction systems, or the public and private sector systems necessary for effective, disaster resilient reconstruction to take place, including human resources, public policies that incentivize safer construction, market supply/value chains, and public and private sector measures that ensure the availability of quality construction materials.

In order to ensure adequate human capacity to rebuild earthquake-resistant buildings, USAID will fund the training of masons, engineers, and affected households in proper construction methods and techniques. Programs will also increase the GON's capacity to enforce compliance of existing policies, such as building codes and land-use plans. Improved guidelines for housing reconstruction and multi-hazard resilient housing construction are needed, as are an improved curriculum and professional certification system to support a pipeline of properly trained professionals.

Should resources become available, USAID will strengthen the construction supply/value chain by improving quality assurance systems for construction materials as well as oversight for construction projects for proper execution. USAID's Private Sector Engagement Assessment, conducted in August 2015, identified current challenges and opportunities for the Mission to catalyze improvements in the construction sector. Should resources become available the USAID will work with other donors, the GON, and the private sector to support these efforts.

Illustrative Indicators for IR 4.1

- Number of semi-permanent classrooms constructed with USAID assistance
- Number of permanent public facilities repaired or reconstructed to be disaster resilient with USAID assistance
- Number of construction professionals trained and professionally certified in safe building techniques with USAID assistance
- Number of households sensitized to safe building techniques with USAID assistance
- Number of building code provisions revised and adopted as a result of USAID assistance

IR 4.2: Disaster risk management strengthened

Under USAID leadership, U.S. Government-supported disaster risk reduction (DRR) activities helped to minimize loss of life and property from the earthquake. However, previous USAID investments in DRR focused predominantly on reducing risk at the community or individual level, with less emphasis on deepening capacity and transforming the systems and institutions that manage risk. The earthquake has

opened up opportunities to expand DRR efforts and to address broader disaster risk management (DRM)⁶ concerns.

The GON's Post Disaster Needs Assessment reinforced the need to integrate DRR throughout recovery and to support more robust and effective DRM systems and institutions. The Assessment also articulated the need to undertake interventions that address immediate risks while enhancing capacities to manage and reduce multi-hazard risks in the medium and long term. Furthermore, the Assessment highlighted the GON's intent to finalize a Disaster Management Bill, which would establish a dedicated agency for disaster management in Nepal.

Nearly eight months after the earthquake, the Parliament passed the *Reconstruction of Structures Damaged by the Earthquake Act 2015*, which established the National Reconstruction Authority. The NRA is the GON's lead agency overseeing all post-earthquake reconstruction efforts. While the NRA's mandate is limited to five years of earthquake reconstruction, it possesses unique powers and authorities that should allow it to operate swiftly and decisively. An effective and fully empowered NRA will be critical to the success of Nepal's reconstruction. Additionally, the GON and many within the international community have suggested that the NRA, if effective, may set the stage for a more appropriate disaster management authority in Nepal.

The post-earthquake period reflects a critical window of opportunity, whereby USAID can expand and build upon previous investments in DRR to support a robust disaster risk management program that will serve the people of Nepal and protect our development investments. This IR will build upon and complement decades of DRR interventions supported by USAID's Office of U.S. Foreign Disaster Assistance (OFDA). Below are the sub-IRs and illustrative activities and outcomes for this IR.

Sub-IR 4.2.1: Community disaster risk management capacity deepened

In the aftermath of the 2015 earthquakes, affected communities relied first on their families and communities to conduct initial search and rescue operations. Community-based disaster risk management interventions are critical to effective disaster preparedness, response, and recovery in Nepal. USAID will look for opportunities to strengthen the public and private sectors, as well as civil society's role in managing disaster risk and in supporting earthquake-affected communities in planning, managing, and monitoring reconstruction activities. This sub-IR will focus on addressing disaster risk from the local-level or the bottom-up, empowering communities to prepare for, respond to, and recover from disasters.

Under this sub-IR, USAID may support:

- Enhancing household- and community-level disaster planning and preparedness
- Continuing public awareness messaging that helps people understand disaster risks they face and what they can do to manage those risks to minimize adverse effects; and
- Providing community-level trainings critical for disaster response such as collapsed structure search and rescue, medical training, etc.

⁶ DRM addresses the management of disasters through disaster preparedness, response, and recovery and includes DRR which primarily addresses disaster mitigation and preparedness.

Sub-IR 4.2.2: Disaster risk management institutions and systems strengthened

Strong institutions and systems underpin robust preparedness, response, and recovery efforts. Nepal currently has a complicated and incomplete legal framework, comprising more than a dozen different acts that assign disaster management roles and responsibilities to a variety of GON entities. Nepal lacks a body with clear authority and sufficient convening power to manage disasters and fully implement associated legislation. The Disaster Management Bill – tabled with Parliament multiple times over the last half decade – attempts to consolidate disaster management, although, many disagree with the structure proposed within the Bill and the bill continues to have insufficient support to pass into law. While the NRA’s mandate is for reconstruction only, a fully empowered and effective NRA will not only be critical to successful reconstruction efforts in Nepal, but given its unique powers and authorities the NRA may also serve as a prototype for a more appropriate disaster management authority that could holistically address disaster preparedness, response, and future reconstruction efforts. However, the NRA is the first body of its kind in Nepal and it is critical that it receive sufficient support in the near and medium-term to ensure success.

USAID will provide technical and advisory support to the NRA and will advocate for an empowered body to coordinate reconstruction in Nepal. USAID will support the NRA in public communications of the GON’s reconstruction plans to help earthquake-affected households plan appropriately and manage expectations. USAID will also look for opportunities to support policy development and the technical capacity of other government bodies tasked with disaster preparedness and response, including those that address early warning and hazard mapping. Where possible, USAID will make strategic linkages with relevant regional bodies.

Recent disaster events, including the 2015 earthquakes and the 2014 floods, have highlighted a dearth of public and private sector professional disaster managers, as well as insufficient requirement for disaster management professionals to staff key positions in bodies responsible for disaster management. Should resources become available, USAID will explore opportunities to create greater demand for a cadre of professionally trained disaster managers and first responders in the public and private sectors through an improved system to accredit disaster management education programs and/or certification of disaster managers. USAID will explore additional opportunities to support increased professionalization of disaster management in Nepal. USAID will also continue to support disaster exercises and simulations that proved critical to bringing a broad swath of public and private disaster managers together and building relationships that paid dividends during the 2015 earthquake response.

This sub-IR will focus on addressing disaster risk from the central-level or the top-down and will aim to integrate with community level efforts – better linking central authorities and decisions to the communities that experience disasters.

Under this sub-IR, USAID may support:

- Investment in strong, national disaster management institutions and policies;
- Strategic engagement with the NRA to build GON capacities to recover from disasters and to lay the foundation for more robust DRM institutions in the future;

- Improved disaster preparedness and response plans at the national and subnational levels to ensure that roles and responsibilities are clear and that, in an emergency, human and financial resources are directed to the areas where they can do the most good;
- Expansion and improvement of early warning systems – such as those used to alert farmers of coming floods or firefighters of forest fires – to help manage risk and reduce loss of life and property in a disaster;
- Improved multi-hazard mapping to inform (land use) policies and plans;
- Enhancing national and/or local disaster management information systems that give the government and other relevant institutions the means to track and map information critical to manage risk, disaster response, and post-disaster recovery;
- Increased demand for a cadre of professionally trained first responders and/or disaster managers (public and private); and
- Development of a system to accredit educational programs and/or certify disaster management professionals and emergency responders.

Illustrative Indicators for IR 4.2

- Percentage of targeted national, subnational, and local government bodies with disaster preparedness plans that are utilized during the Transition Objective period
- Budget execution rate of targeted line ministries in earthquake-affected districts
- Proportion of increased budget execution rates attributed to special authorities delegated by NRA
- Percentage of people who view the NRA as effective in carrying out its mandate
- Number of land use policies or permits informed by updated multi-hazard maps during the Transition Objective's period
- Number of disaster professionals trained and professionally certified as a result of USAID assistance
- Number of stakeholders with increased capacity to adapt to the impacts of climate change as a result of U.S. Government assistance []

Monitoring, Evaluation, and Learning Plan:

USAID will develop a Transition Objective learning agenda and monitoring and evaluation plan, which will be incorporated into the USAID's Performance Management Plan. The monitoring and evaluation plan will include final indicators at the Transition Objective, IR, and sub-IR levels, along with baseline and target values and a Performance Indicator Reference Sheet for each indicator. The plan will also include an evaluation calendar and proposed evaluation questions for each of the major proposed activities. The Program and Project Development Office and USAID's Monitoring, Evaluation and Learning contractor have already begun reviewing draft monitoring and evaluation plans for upcoming and ongoing activities. As a result, the DR4 Office and implementing partner staff will participate in monitoring and evaluation capacity-building activities beginning in February 2016.

Sustainability Plan:

This Transition Objective reflects a clear commitment to effective programs designed to deliver results that can be sustained beyond the U.S. Government's engagement.

IR 1 Critical infrastructure sustainably reconstructed: Capital infrastructure facilities have long lives, and the management and operation of infrastructure assets are a critical determinant of their efficient use. Activities to support infrastructure reconstruction under this IR will follow the Foreign Assistance Act of 1961, Section 611(e), which requires the USAID Mission Director to certify the capability of the recipient organization to maintain and utilize capital projects above \$1 million before any construction can commence. In the review of draft procurements and task orders under this IR, the Contracting Officer's Representative will work with the Mission's technical offices to ensure that the necessary institutional arrangements such as training, organizational structure, and operation and maintenance financing arrangements are in place during the design phase or provided during implementation to ensure the sustainability of the final project.

The infrastructure reconstruction contemplated under this IR will be conducted in partnership with local institutions—both public and private and including the host country government—that are responsible for planning, recruitment, development, and retention. USAID will rely on our existing development interventions in the affected areas to help ensure that reconstructed facilities are maintained as part of the standard health facility and school management plans. Implementing partners will be encouraged to use “Build-Back-Safer” and green reconstruction practices to foster an improvement in the performance and resilience of physical infrastructure across the full economic, social and environmental dimensions of sustainability.

Under this IR, sub-IR 4.1.2 “Public and private reconstruction systems strengthened” is intended to promote sustainability by contributing to improved construction systems and sound building practices in Nepal – beyond the period of the U.S. Government's infrastructure investment. Should resources become available, USAID aims to partner with public and private sector actors and other U.S. Government agencies, where relevant, to strengthen the construction supply and value chain by improving quality assurance systems for construction materials as well as oversight for construction projects for proper execution.

IR 2 Disaster risk management strengthened: This IR is intended to increase the sustainability of U.S. investment in disaster risk reduction by deepening capacity and transforming systems and institutions that manage risk. Through OFDA, USAID and DOD/ODC have for decades invested in DRR at the community or individual level in Nepal; however, more systemic changes are needed for truly sustainable, high-level results. As described in the narrative for this IR, USAID believes a unique window of opportunity exists post-earthquake to promote these changes by strategically engaging with the National Reconstruction Authority to build GON capacities to recover from disasters and to lay the foundation for more robust disaster risk management institutions in the future. The design framework (also known as a project appraisal document) for this IR will be based on assessments of current institutional systems and capacities, as well as of political will and opportunities. The framework will include a robust sustainability analyses and a clear plan for ensuring sustainable results under this IR. These will be further reflected in activity designs resulting from that project appraisal document and incorporated into project and activity monitoring, evaluation and learning plans.

CDCS Results Framework with Transition Objective

